



Suite 1120 – 1095 West Pender St.

Vancouver, BC V6E 2M6

Tel (604) 601 3651

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Spanish Mountain Announces Closing of Flow-Through Private Placement

Spanish Mountain Gold Ltd. (“**Spanish Mountain**” or the “**Company**”) (TSX-V:SPA) is pleased to announce that it has closed its brokered private placement offering (the “**Offering**”), previously announced on November 27, 2012.

Pursuant to the Offering, 8,212,808 units (the “**Units**”) have been placed at a price of \$0.33 per Unit for total gross proceeds of \$2,710,226.64. Each Unit consists of one flow-through common share of the Company (each, a “**FT Share**”) and one-half of one common share purchase warrant of the Company (each, a “**Warrant**”), with each whole Warrant entitling the holder to acquire an additional common share of the Company at a price of \$0.45 per share for a period of 18 months. Each FT Share and Warrant is designated as a “flow-through share” for the purposes of the Income Tax Act (Canada) (the “**Tax Act**”).

The Offering was conducted pursuant to an agency agreement dated December 13, 2012 between the Company and Secutor Capital Management Corporation (the “**Agent**”). In connection with the Offering, the Company paid the Agent a cash commission of 6% of the gross proceeds of the Offering, for a total of \$162,613.60. The Offering was available only to accredited investors, and all of the securities issued in connection with the Offering will be subject to a statutory four-month hold period expiring on April 14, 2013.

The proceeds from the Offering will be used to incur exploration expenditures on the Company’s Spanish Mountain Gold Property, located in British Columbia. Such exploration expenditures will constitute “Canadian exploration expenses” and “flow through mining expenditures” as defined in the Tax Act which can be renounced to purchasers of the Units for the 2012 taxation year.

Final acceptance of the Offering by the TSX Venture Exchange is subject to filing of final documentation.

About Spanish Mountain Gold

Spanish Mountain Gold Ltd is focused on the responsible development of its flagship Spanish Mountain gold project in southern central British Columbia. The Company has no debt and owns 100% of all four gold properties located in British Columbia. Additional information about the Company is available on its website: www.spanishmountaingold.com

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD

Brian Groves,
President and CEO

Contact:

Colin Clancy
(604) 601-3651

info@spanishmountaingold.com www.spanishmountaingold.com

This News Release contains forward-looking statements. Forward looking statements are statements which relate to future events. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, level of activity, performance or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking-statements. Management has assumed that these will be our major projects going forward. Risks include that we are unable to satisfy environmental or other regulators, that we determine that our resources are not commercially viable, or that we have difficulties due to unavailability of labour or equipment.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggests herein. Except as required by applicable law the Company does not intend to update any forward-looking statements to conform these statements to actual results.

Neither TSX Venture Exchange nor its Regulations Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.